

# LONG CREDIT FIXED INCOME STRATEGY

## INVESTMENT STRATEGY

We believe the corporate bond market offers premium return potential that can only be captured through extensive credit research. In seeking to generate consistent excess returns without incurring undue risk, we focus on:

- Proprietary, in-depth fundamental research (free cash flow and balance sheet analysis)
- Capital structure and covenant analysis
- A detailed review of management and industry trends
- Target duration neutral portfolios
- Seeking to construct portfolios with attractive risk/reward characteristics

## PORTFOLIO CHARACTERISTICS\*

	LCP Long Credit Fixed Income	Barclays Long Credit Index
Average Price	<b>\$104.30</b>	\$105.30
Yield	<b>6.40%</b>	6.20%
Duration	<b>11.20 yrs</b>	11.30 yrs
Quality	<b>A-</b>	A-
Coupon	<b>6.50%</b>	6.70%

### PORTFOLIO MANAGERS:

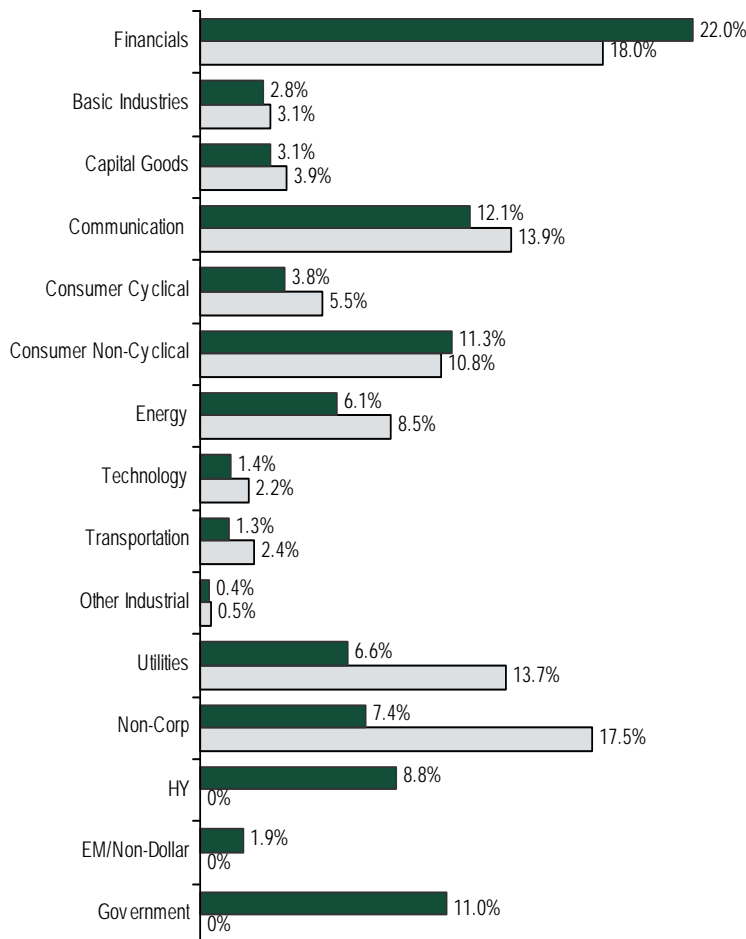
Stephen A. Mullin, CFA  
Andrew J. Kronschnabel, CFA

### TOTAL ASSETS MANAGED BY THIS STRATEGY<sup>1</sup>:

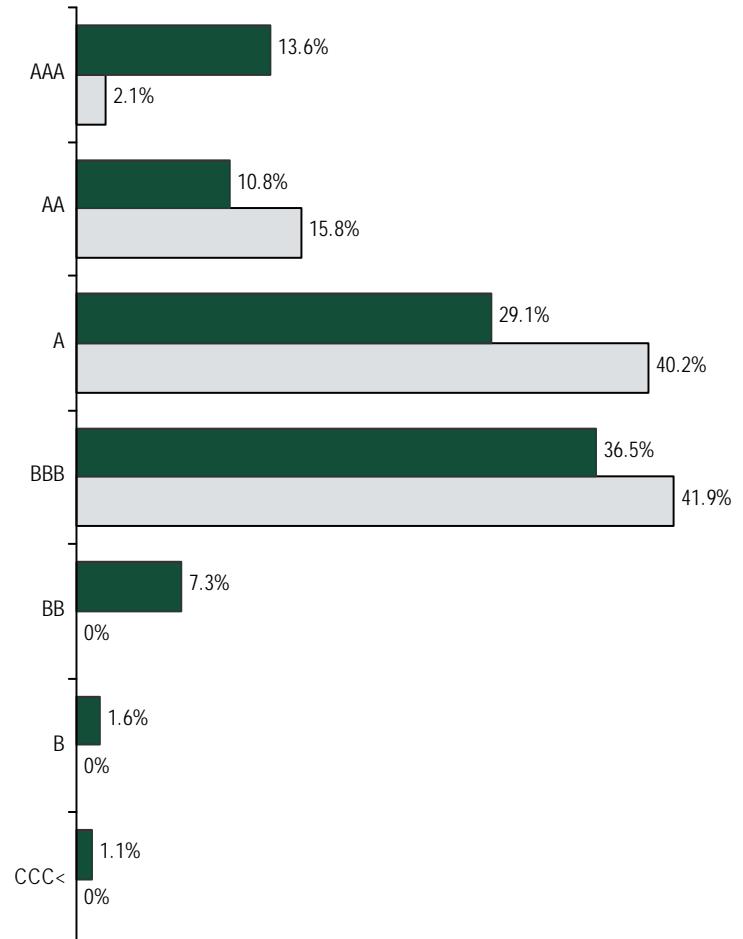
\$708 Million

<sup>1</sup> Based on unaudited estimates and are subject to change.

## SECTOR WEIGHTINGS\*



## QUALITY WEIGHTINGS\*



■ Logan Circle Partners Long Credit Fixed Income    □ Barclays Long Credit Index

\* The characteristics above are for a representative account. Actual account characteristics may differ. The information is presented as supplemental to the full GIPS disclosure.

## PERFORMANCE RETURNS\*

Product / Index	YTD 03/3/10	1 Year	3 Years	5 Years	7 Years	Since Inception Inception 11/01/08
LCP Long Credit Fixed Income (Gross-of-fees)	3.18	32.71	N/A	N/A	N/A	34.73
LCP Long Credit Fixed Income (Net-of-fees)	3.07	32.27	N/A	N/A	N/A	34.28
Barclays Long Credit Index	2.02	28.05	N/A	N/A	N/A	29.82

\* Includes performance data from 2010 which are preliminary, unaudited figures and subject to change.

## COMPOSITE STATISTICS AND PERFORMANCE

YEAR	GROSS-of-FEE RETURN	NET-of-FEE RETURN	BENCHMARK RETURN <sup>4</sup>	NUMBER OF PORTFOLIOS	DISPERSION (Standard Deviation) <sup>1</sup>	COMPOSITE ASSETS	% FIRM ASSETS <sup>2</sup>
11/01/08 (Inception) to 12/31/08	22.37%	22.27%	22.42%	<5	N/A	\$62,336,312	<1%
2009	20.82%	20.42%	16.80%	<5	N/A	\$290,940,496	3%
1Q2010 <sup>3</sup>	3.18%	3.07%	2.02%	<5	N/A	\$360,753,675	3%

1 \*N/A\* indicates that we do not believe that the information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. Standard deviation is only presented for accounts managed for a full calendar year.

2 Prior to November 1, 2007, the investment team was part of Delaware Investments and therefore the firm is reporting the percentage of firm assets only for all accounts managed by Logan Circle Partners, L.P.

3 Performance results for 2010 are based on unaudited estimates and are subject to change.

4 The benchmark is a broad-based benchmark that measures the performance of a large group of high quality corporate and government bonds with maturities greater than ten years. For additional benchmark disclosure please see full GIPS disclosures below.

### Performance Disclosures

Logan Circle Partners, L.P. has prepared and presented this report in compliance with the Global Investment Performance Standards (“GIPS®”). The Firm’s compliance with the GIPS standards has been verified for the period November 1, 2007 through December 31, 2008 by Ashland Partners & Company LLP. Additional information regarding the Firm’s policies and procedures for calculating and reporting performance returns is available upon request. The Long Credit Fixed Income Composite seeks to generate consistent total return by investing in fixed income securities across the government, corporate and structured markets. The composite contains fully discretionary, fee-paying fixed income accounts according to the applicable composite strategy. The Firm maintains a complete list and description of composites which are available upon request. The benchmark for the Long Credit Fixed Income Composite is the Barclays Long Credit Index, which measures the performance of a large group of high quality corporate and government bonds with maturities greater than ten years. All index returns presented are provided to represent the investment environment existing during the time periods shown and will not be covered by the future report of independent verifiers. For comparison purposes, the indices are fully invested and include the reinvestment of income. The indices are unmanaged and unavailable for direct investment. The returns for the indices do not include any transaction costs, management fees or other costs. Investors cannot purchase interests directly in an index. The dispersion of annual returns is measured by the standard deviation among asset-weighted portfolio returns represented within the composite for the full year. Dispersion is not calculated for composites with less than five accounts for the whole period. Derivatives may make up a part of the composite strategy as Logan believes that derivatives offer value and are appropriate investments for client mandates. The Firm may utilize U.S. Treasury derivatives such as futures to assist in the management of our portfolios. Derivative usage is governed by the appropriate level of risk to meet the return targets rather than for speculative purposes. Past performance is not indicative of future results. The information presented is available for institutional client use only.

## DISCLAIMERS

**Firm** Logan Circle Partners, L.P. ("Logan" or the "Firm") is a registered investment adviser and prior to November 1, 2007, the Firm was part of Delaware Investments. On April 16, 2010, the Firm entered into a transaction with Fortress Investment Group LLC ("Fortress") and became a subsidiary of Fortress. The firm continues to operate as Logan Circle Partners, L.P. From November 1, 2008 ("inception date") to the present, the performance presented is for the Long Credit Fixed Income Composite that the team currently manages at the Firm.

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**Gross vs. Net** Performance returns are presented gross and net of fees, include the reinvestment of all income and are calculated in U.S. dollars. Dividend income has been recorded net of all applicable foreign withholding taxes. Gross-of-fees does not reflect the deduction of our investment management fees. Individual client returns will be reduced by investment management fees and other expenses that the account may incur. The investment management fee schedule for the composite is 0.40% on the first \$25 million, 0.35% on amounts from \$25 million to \$100 million and 0.30% on the remainder. Fees have a compounding effect on cumulative results. For example, if a 1% investment advisory fee were deducted annually from an account that achieves a 10% gross annualized return, the net return would be approximately 8.9% after the deduction of advisory fees. Investment advisory fees are described in Part II of Form ADV. Actual investment advisory fees incurred by clients may vary.

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